

Meeting of 2002-6-10 SPECIAL MEETING

MINUTES
SPECIAL CALLED MEETING
LAWTON CITY COUNCIL
JUNE 10, 2002 - 5:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBERS

Mayor Cecil E. Powell, Also Present:
Presiding Bill Baker, City Manager
 John Vincent, City Attorney
 Brenda Smith, City Clerk

The meeting was called to order at 5:04 p.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT: Randy Bass, Ward One
 James Hanna, Ward Two
 Glenn Devine, Ward Three
 Amy Ewing-Holmstrom, Ward Four
 Robert Shanklin, Ward Five
 Barbara Moeller, Ward Six
 *Stanley Haywood, Ward Seven
 Michael Baxter, Ward Eight

ABSENT: None.
*Haywood entered at 5:08 p.m.
BUSINESS ITEM:

1. Consider and discuss the proposed preliminary FY 2002-2003 City of Lawton Budget and take necessary actions to facilitate budget adoption. Exhibits: Budget distributed previously.

Mayor Powell asked that everyone's opinions be respected and that the meeting be conducted in a professional manner. He said he had asked the City Manager to take \$200,000 from Account 248, Electricity and Gas, to establish a building maintenance program to prevent roof defects from causing further damage to buildings and that LPS's program had been very successful.

Mayor Powell said the City Manager has hand outs for Council and there have been rumors about what has and has not been done as far as cost of living increases in the past five years.

Baker said he presented a preliminary budget that was balanced with the requirement for \$2.9 million in additional revenue after he had cut items he felt could be removed. Council has held three budget review meetings; some things were cut and others added with the net result being an increase of \$231,000 due to items the Council felt were important. There is a need for \$3.1 million to balance the budget. State law requires the budget be approved no later than June 23 and the options are to raise the additional revenue, cut expenses by that amount, or a combination of both.

Baker said he has information on the cost of living and step increases for each employee group over the last five years; it is an integral part of the budget because salaries are approximately 75% of the budget. The information covers the period since fiscal year 1997-98, which is a five-year period. It shows the COLA, or cost of living adjustment, for each employee group and the merit increases an individual could be eligible for, and the totals on the three columns assume the employee would have received the step increases. Over this five-year period, the Fire group received a 13.5% COLA and 25% merit or step increase, for a total possible of 38.5%. Fire and Police have 5% step increases, and general employees have 2.5% step increases. Police Department received a COLA of 11.5%, merit increase of 25%, for a possible total of 36.5%, so it is fairly close to the Fire. General employees had 13.5% COLA and merit increases of 12.5% for a possible total of 26%. Baker said in 1999-2000 a new pay plan was adopted and different positions got different compensation adjustments, some got very little and some were significant; the reason they used 2.5% was because that was the minimum Council included in the new pay plan. He said the Consumer Price Index shows a 20.7% increase during that period so all employee groups have been keeping pace with the cost of living and some have exceeded it substantially.

Shanklin said a COLA is a cost of living increase, it is a one time deal to the Consumer Price Index, somewhere down the line it got put into the wage scale and it has been compounded since, so it is not a COLA, it is a pay increase. Vincent read Section 17-134 of the City Code giving the definition as: "in order to recognize the effects of the changing purchasing power of the dollar, it will be necessary to give all employees periodic pay adjustments. Such adjustments are to be made at the discretion of the City Council and it is the policy of the City that such adjustments are to be based on the estimated increase or decrease in the cost of living as reflected in the United States Department of Labor Consumer Price Index. Such cost of living changes should be made by a percentage or across the board uniformly to every grade set out in the City pay plan and should not involve any changes in grade or positions or steps at which employees are paid." Shanklin asked if it says it is going to be compounded. Vincent said it is at the Council's discretion. Shanklin asked if Council told Mr. Livingston to put it in there and compound it, make it a raise instead of a COLA. Vincent said the way it was presented to Council was by resolution with a new pay plan that included a compounding of the proposed increase. Shanklin asked why we call it a COLA if it is a pay raise.

Shanklin said he told most of the guys out here, if they bring him a union, he would sign it and they could get a union but remember one thing, future Councils will have that proviso that says if they do not like what you demand, we will take it to a vote of the people. Shanklin said he had been in the union and knew what he was talking about and knows it is not that easy, but you cannot tell the taxpayers of Lawton, Oklahoma, that you want another 4% to go with this 26% for five years. He asked if employees thought that was fair when they have neighbors and relatives that are living on \$500 or \$600 or \$700 a month. Shanklin said he did not and he did not know where we go from here but was disappointed that we are looking for 4% more, it was in the budget book, and people are unhappy and he did not know how to understand; you have a good job, one of the better jobs in Lawton, Oklahoma, and we are on the tail-end of the stick so to speak and we are going to be there, we are not ever going to be competitive with bigger cities on the eastern side because we do not have the per capita income. He said 26% is a lot of money, and if we do not put a stop to some of this madness, in 6-7 years just water will be \$40 and one-third of the employees live in the county. Shanklin said he was with the employees but cautioned that enough is enough, we cannot continue to do it and he could not continue to vote for it.

Mayor Powell asked if the spokesman for the employees would like to address the Council.

John Thomas, 113 SE Sungate, general employee, said for the record, this is not about being part of a union because the bottom line is, whatever group you are with, you still work for the City. He said general employees are asking to be treated fairly and equally and not be punished because they do not have a union. Thomas said he talked to four Council members and he would call names but they said the only way the general employees would be treated fair was to have a union. He said his personal opinion was he did not see why we would have to have a union to tell the Council the general employees deserve what they need to get, we should not have to have a union to tell you that you should compensate the general employees like you do everyone else, all should be treated fairly and equally, general employees should not be treated as second class because they do not have a union.

Thomas said the citizens come first and employees second, and 26% is a lot of money but so is 38.5% and 36.5%. He said it is not a competition between fire and police and the general employees and that he had friends and family on both sides, and the unions will take care of the fire and police but general employees have no one except the Employee Advisory Committee and their hands are tied. Thomas said a cost of living adjustment is not necessarily given each year and most employees have two jobs. He said general employees have done without the cost of living adjustment before and have had to wait six months twice in the last five years to receive it and that was not shown in the information. Thomas said if you give it to one, you should give it to all, and that he was not knocking fire and police but they were not his concern and that they get their increases through the unions.

Thomas said a petition was circulated about a union and if we should get to that, we will address it with the members; Council has the final say as to whether general employees have a union but that is not the final decision because there are other ways, he had looked into it.

Thomas said he heard that Council members had asked different businesses if they offered their employees longevity and he would tag it as being loyal and continuous and not everyone gets it, you must be here four years and of the 682 employees, only 318 get that, which is less than 55%. It is letting the employee know you appreciate him working. Businesses may call it an end of the year bonus or vacation but it is thank you for working for us these years and we will show you our appreciation. It boils down to being loyal to the employees.

Thomas said sick leave is a fringe benefit, sick leave pay shows a sacrifice, not all employees get it, you must be here six to six and a half years and not take any time off at all. Employees must have 576 hours of sick leave to get paid for anything over that and the city is paying you for that sacrifice, and only 153 general employees receive pay for excess sick leave. If employees will sacrifice and come to work, not call in sick and be loyal, they should be compensated.

Thomas said merit increases are not guaranteed; employees must have a standard or above evaluation. COLA's are

something the general employees have done without, and if they are given to one group, they should be given to all. He said there is an escape clause in the union contracts if the City does not have the money, it does not have to be paid. Thomas said he was not saying to not pay them but do not give to only one. General employees should not have to balance the budget on their backs; it is a very difficult budget year but general employees should not be punished as a result. He said eight people can decide the livelihood of 800 employees, and he knew they were hard decisions but general employees also face hard decisions and make sacrifices every day. Thomas said no one works harder than he does for the amount he gets paid, that he has been here eight years, gives 110% and has not called in yet. He said he was not saying he did not want to but he would think about his co-workers and that would make him sacrifice and he should receive something for being loyal and that is the bottom line. Thomas said we have one of the better jobs here, but across the state, we are not being paid like the rest; 95% of the employees are working for the benefits.

Thomas thanked the employees for showing up because they are concerned. He said it is not about fire and police, and he wished we could get away from that vision; we all work for the City and should be treated fairly.

Baxter said he agreed the general employees should not balance the budget on their backs and said the City Manager should have given the Council a balanced budget and Council should not be put in this situation. Mayor Powell said this would be done with honor and respect, do not slam anyone, that is the way the meeting will be conducted. Baxter said the general employees did not need the Council's permission to form a union.

Hanna thanked the employees for showing up to voice their concerns and said he would back a union if there was one. He said the fire and police are under contract; if contracts are violated, we have to negotiate and it will cost the City more than we are paying now. He asked how will we find this \$3.1 million. Thomas said the City has contracts with the unions and asked if Council did not think about what they would do for general employees when negotiations were underway and approval of a three-year contract guaranteeing 4% per year. Thomas said general employees have done without that for three years. Thomas said it was not his job to balance the budget, although he was being asked to help balance the budget. He said if you want the benefits you will have to take it, he was not giving it to you.

Thomas addressed the large employee crowd in the audience stating he appreciated everyone showing up and whatever the decision he wanted them to remember we all work for the City and should continue to be unified regardless of the decision and there is power in numbers and we all work for the same employer; united we stand but divided we fall.

Mayor Powell said the Council is not for or against the general employees; they have critical decisions to be made but it is not because they dislike anyone so let's not hang up on this. Thomas said it is not his intent to say you are unfair; we are just asking when you make decisions to be fair with it because we all work for the city.

Allan Barber, 1118 NW Maple, MIS, 20 year employee, said Lawton's water is much cheaper than other cities and more revenue is needed. He said employees review permits for a very small fee; there is room to raise the money that is needed for the budget. Barber said we offer professional services for no fees; we check plans for free. He said the City needs to find more revenue, and the employees were recruited with the benefits. MIS was cut 10% last year; where will citizens be in 8 more years if that continues.

Mayor Powell said one week ago today he requested this be prepared showing all the services the City provides for the citizens and the book gets thicker. It is not that we are not providing services because we are but there is a lack of funds from somewhere. He said no one wants to cut any of the services and it takes money and revenue must come from somewhere.

Renee Plata, Revenue Services Division, 17 year employee, agreed the water rates should be increased a little and suggested the vacancies be changed because many costs are being adjusted off; meters are read only in thousand gallons, so if your bill shows zero, all the costs are adjusted off. No other city in the state allows a vacancy to be adjusted off, yet they can put trash out and the men will take it. Plata said they had adjusted over \$2 million in vacancies and it is 20% of what we bill so if you are looking for money, that is a big hole.

Plata suggested they start at the top where there are assistants to assistants to assistants. She said the longevity and sick leave should remain in place. Plata said the majority of money from the reclassification went to top management, and she begged for \$33 while some in management got \$5,000 checks. Plata said consultants should not be needed if the people here do their jobs. She said it was a hard job to balance the budget and she did not care about a COLA but asked that Council look at the top and look at the water charges being adjusted off because there is money there, it is only for a select few and those people who own homes and have rent income, it is not the low income people and those are the ones she looks out for.

Discussion was held concerning filing vacancies on utility bills. Staff will verify the percentage, and it may be 11% rather than 20%. Carson explained the differences between multi-unit residential and single family residential units as far as usage and billing. Moeller asked what was adjusted off. Carson said capital outlay, drainage maintenance,

refuse, and sewer, and then it is based on consumption.

Shanklin said we have increased services, and he did not know if citizens asked for it. He said the handout shows 881 employees, the budget book has a different number, and asked how many employees we really have compared to ten years ago for the same size as far as the number of water meters.

MOVED by Shanklin, SECOND by Bass, that Baker take \$1.5 million from the 101 accounts and \$1.5 million from the rest of the 100 accounts and let council see what he can come up with to provide the required services for the City and get that to us by tomorrow.

Baker said he spent most of the day going through the budget to cut \$3 million as was requested by the water study committee this morning. He said he had identified those cuts but did not recommend them.

Baker said making cuts as stated in the motion would be practically impossible, it would require laying off many employees and he would do it if so directed. Shanklin said the employees are mad now but the taxpayers would be mad depending on the Council's actions.

Mayor Powell said he thought the request in the motion was impossible, and Council went through the budget and added things instead of taking away. He said Baker already put \$3 million together as requested this morning. Shanklin said he wanted to read over it and asked if we had looked at privatization in any areas, and that he was not talking about the wastewater treatment plant, but other areas. Shanklin said the newspaper had good ideas about things to look at; our budget doubled in 10 years; if it doubles again, where is the revenue going to come from.

Devine said the only way the City will balance the budget is to raise water rates, and he had no problem with that as long as we raise everyone's in the city that buys a drop of water, retail, industrial, commercial or whatever, every person who buys water pays the same price then no one would complain about raising the rates. He said this city thrives on the services it has; we have fine departments but until everyone pays the same on the water rates, no one will be happy and the budget cannot be balanced.

Baxter said the budget can be balanced without utility rates; there is fat here; we survived last year off of the money that was spent which was \$52,716,792, no one got laid off, we had twice a week trash pick up and no utility increase. He suggested the City Manager take that 2001-2002 amount and make a budget that will balance; everyone gets the same as last year and funding could be found in the 300 accounts to match money for the transit system.

Baker said this year's budget was \$53.8 million. Major items had to be addressed, such as the 4% IAFF raise at \$238,000; another group's raise cost \$238,000; 3% COLA for general employees for the entire year instead of six months is \$307,000; another 3% COLA for general employees is \$623,000. \$277,000 additional money for mass transit. \$474,000 for pay plan step increases and longevity type things; \$142,000 for retirement, \$312,000 for insurance, \$30,000 additional for chemicals; \$95,000 added so we can mow and keep city looking better; \$85,000 added to contract out concrete restoration. He said he budgeted less salary lapse; \$750,000 this year and that was way too tight so \$250,000 next year. The carry over last year was estimated at \$3.5 million but it came in at \$3.2 so we started this year behind, Baker said he proposed a \$55.4 million budget and had reduced by \$3 million before submitting it to the Council; almost \$5 million in increases were absorbed; only \$1.6 million more is budgeted next year.

Baxter said he agreed with some of that but some departments did not give us a 10% budget cut. Baker said the departments did what he asked. Baxter said you cannot cut a ghost employee, you spent the money for that employee last year, that is not a budget cut. Baker said the traffic engineer money was in the budget; position was not filled, it is eliminated next year and we dropped it from the budget. Baxter asked if the money was spent. Baker said they did have the position that year. Baxter said they spent more in positions. Mayor Powell said Baker cut last year; the things handed out were from Council action.

Shanklin said he had conversations with people in the audience, we have an anonymous letter. He said a person is making \$48,000 supervising six people and has a supervisor under him; they do not have the qualifications a teacher has; that is what people are talking about, we do not ever address it. Shanklin said the traffic engineer would not sign off on a cut on Lee and his job was abolished. He said he did not know if it was legal to visit with Baker and tell him what is excess but he wanted to be able to tell someone what he thought and the reasons for it and see if Baker will do something; not everyone is working; this letter says not everyone is working; people are hiding, come in at 9:30.

Mayor Powell said it is not signed and he hoped it was not believed. Shanklin said if she would have put her name on it, she would be gone. Mayor Powell said he would invite that to happen. Baker said the letter is viscous, detrimental to morale and it is not true; there are statements about him that are not true; he is not retired from the military or receiving pension from them; there are comments about his secretary that are not true and he resented them, it is not positive and maybe some things may or may not be true but some are not true. Mayor Powell said he

would trade his pay salary for theirs.

Devine said he asked about getting all water rates to the same level but no one wants to discuss it. Mayor Powell are they are working on it. Devine asked how long they worked on it today. Mayor Powell said it was cut short for obvious reasons and he did not think they will have that for the budget. Devine said they will want to raise residential but not commercial. Ewing-Holmstrom said this water study will not be put off; they had come to some sort of decision but the water rate study is not the cure all for the city's budget; some salaries have doubled in ten years; some supervisors doubled in ten years, and if water is raised, it should be for other reasons instead of fixing the budget. She asked what would be done in ten years when salaries double again. She said we have to do other things that no one wants us to do, employees or citizens, we will not be anyone's friend, but we have to have some vision; Lawton is the cash cow. She said if she knew how well the City paid she would work here, and knew some were at the bottom but some are getting paid twice what they did ten years ago and we have to get on track and not have citizens subsidizing all salaries by the water rates.

Moeller said raising rates to a certain level would bring only \$1 million and we are \$3 million short.

Haywood asked what the water rate would be to balance the budget. Mayor Powell said \$3,151,339 is needed; pure water rates to get that would be \$8 per meter more. Ewing-Holmstrom said it has to be done in steps; contracts must be negotiated and the committee does not have that authority. Mayor Powell said he would not support an \$8 increase in water rates; he wanted all employees taken care of but there is no way you can put an \$8 increase on it at one time.

Hanna asked if enough would be generated if vacant positions were deleted, \$2-\$3 was added to utilities, longevity was frozen at the present rate and keep twice a week trash pick up Baker said it would not be enough. Moeller said one of the things considered was everyone going to the \$2.10 flat rate, that is a consideration and no decisions have been made. She said that will raise \$1 million; the other suggestion by Baker was to put not \$8 but a \$3.25 flat fee on the residents for the \$1.3 million Waurika payment and she objected to nailing the residents again, and if they get an increase, everyone should get an increase, but adding the \$3.25 and adding another 75 cents to continue twice a week trash pick up so that is \$4 that was recommended. Moeller said a rate increase plus \$4 would be pretty steep for the residents. She said it would bring them close to balancing and raising the water to \$2.10 may be very fair, but the extra \$4 on the residents is not fair and that was what they were struggling with on the water rates, and that is what it would take to balance the budget. Moeller said they have to make cost to stay legal on selling water and the \$2.10 would do that, and that was the first step.

Mayor Powell asked if they were looking at a certain amount for the first 2,000 gallons. Moeller said they were looking at doing away with that, no decreasing rates. Mayor Powell said that would affect him drastically and asked what is the projected revenue. Moeller said with no decreasing rates and the flat fee for everything, it is still only a little over \$1 million; vacancies are a good idea but it probably would generate \$200,000, which is not as much as people think.

Baker asked if he should leave the \$1.1 million for salary increases alone when considering the cuts to the 100 accounts. Shanklin said take it out if you have to. Moeller asked if adjustments can be made later in the year if revenue comes in and Shanklin said yes. Vincent said you can pass a budget resolution then base it on increased revenues. Moeller said at the most \$1.3 million from water study, that is not enough; some will come from industry but it will be a while.

Mayor Powell asked how many employees would this be laying off. Baker said maybe 50 in addition to the 23 already identified. Shanklin said between solid waste and ghost employees, you really only laid off two. Hanna said ten were vacant.

Mayor Powell said the motion was to direct the City Manager to take \$1.5 million from 101 accounts and \$1.5 million from the other 100 accounts. Shanklin said yes. Hanna said that is \$3 million; what about the \$1 million they will generate from the water revenue. Shanklin said he wanted to see what Baker could cut if he did not have the money; he put it on us and we are putting it back on him; we know we will not cut 50 people but he wanted to see what Baker does not think is essential. Mayor Powell said there had been an opportunity for that. Shanklin said it cannot be done that way.

VOTE ON MOTION: AYE: Hanna, Ewing-Holmstrom, Shanklin, Haywood, Bass, *Devine. NAY: Moeller, Baxter.

*NOTE: Prior to announcing the vote, Devine asked to change his vote to no because it would kill the morale of the employees. Shanklin said it is also encouraging to 85,000 taxpayers that we are looking after their money.

MOTION CARRIED.

Baxter said laying off 50 employees is not the answer, not even for the taxpayers. Haywood said that will not happen, we are just looking at a study, he was definitely against lay offs and did not think the members would vote for that. Shanklin said no one was going to raise water rates either. Baxter said he was against raising water and

Shanklin said they did not want to cut anything and he did not know what else to do.

Baker said he would have the requested information by 9 a.m. tomorrow and asked if he could distribute the \$3 million cut he worked on this afternoon. Baxter moved and Ewing-Holmstrom seconded for the City Manager to pass out his work and Mayor Powell said he would reject the motion. Baker distributed the information.

Addendum:

1. Pursuant to Section 307B.2, Title 25, Oklahoma Statutes, consider convening in executive session to discuss future negotiations concerning the Employment Agreement for FY 2000-2003 between IAFF, Local 1882, and the City of Lawton, and take appropriate action in open session if necessary. Exhibits: None.

MOVED by Shanklin, SECOND by Bass, to convene in executive session as shown on the addendum agenda and as recommended by the legal staff. AYE: Shanklin, Moeller, Haywood, Baxter, Bass, Hanna, Devine, Ewing-Holmstrom. NAY: None. MOTION CARRIED.

The Mayor and Council convened in executive session at approximately 6:30 p.m. and reconvened in special, open session at approximately 6:40 p.m. with roll call reflecting all members present.

Vincent said executive session was held as shown in the agenda item title (above) and a recommended motion is that the item be re-agendaed for the next budget study session.

MOVED by Devine, SECOND by Bass, that the item be re-agendaed for the next budget study session. AYE: Haywood, Baxter, Bass, Hanna, Devine, Ewing-Holmstrom, Shanklin, Moeller. NAY: None. MOTION CARRIED.

Moeller asked when the next budget meeting would be and Mayor Powell said they could decide tomorrow night.

COMMENTS.

Baxter asked that the budget meetings be scheduled for this week as he will be gone next week. Mayor Powell said he would do his best.

There being no further business to consider, the meeting adjourned at 6:42 p.m. upon motion, second and roll call vote.